

## Message Text

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43

ACTION SEC-03

INFO OCT-01 EUR-25 ADP-00 TRSE-00 EB-11 COME-00 L-03

CIAE-00 INR-10 NSAE-00 RSC-01 FRB-02 JUSE-00 RSR-01

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R 101342 Z APR 73

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 0394

C O N F I D E N T I A L LONDON 04192

PASS SEC FOR IRV POLLACK FROM AMMERMAN; TREASURY

E. O. 11652: XGDS

TAGS: EFIN, UK

SUBJECT: IOS- VESCO LITIGATION

1. EDWARD DU CANN REPORTS THAT MORGANTHAU HAS BEEN IN CONTACT WITH HIM, AFTER DISCUSSIONS WITH POLLACK. DU CANN AGAIN REPEATED THAT IN THE NEAR FUTURE HE MUST PAY 1.7 MILLION POUNDS TO SOMEBODY -- THIS IS A CONTRACTUAL OBLIGATION -- HE ASSUMES THAT POLLACK AND MORGANTHAU ARE DISCUSSING VARIOUS POSSIBILITIES.
  2. DU CANN, WHO IS CHAIRMAN OF KEYSER ULLMAN AND A VERY INFLUENTIAL CONSERVATIVE PARTY MEMBER OF PARLIAMENT AND BACKBENCHER, HAS EMPHASIZED THAT HE WISHES TO BE AS COOPERATIVE AS LEGALLY POSSIBLE. HE SAID IN PRIVATE CONVERSATION THAT HIS WISH TO BE COOPERATIVE IS THREE-FOLD: BECAUSE OF HIS ROLE IN PUBLIC LIFE, BECAUSE OF HIS ROLE IN THE CITY OF LONDON, AND FINALLY, BECAUSE IT IS RIGHT. HE OFFERED TO BE OF ASSISTANCE EITHER PUBLICLY OR PRIVATELY. HE SAID HE WAS WILLING TO HAVE A SENIOR SEC OFFICIAL CALL UPON HIM IF THE SEC WANTED TO SEND SOMEBODY TO LONDON.
  3. HE SAID HE WAS SOMEWHAT ANNOYED WITH THE SEC IN THE WAY THAT KEYSER ULLMAN' S NAME HAD BEEN MENTIONED IN THE INITIAL LITIGATION, DESPITE THE FACT THAT KEYSER ULLMAN IS NOT A DEFENDANT. HE SAW POSSIBILITY OF GUILT
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BY ASSOCIATION.

4. DU CANN ALSO SAID HE WOULD LIKE TO PURCHASE THE DUTCH AND LUXEMBOURG INSURANCE COMPANIES CONTROLLED BY IOS. HE BELIEVES THESE ARE OR CAN BE MADE PROFITABLE. THEY HAVE SOME GOOD MANAGEMENT. IT WOULD BE EASIER TO PICK THEM UP RATHER THAN TO START NEW COMPANIES IN THESE COUNTRIES. THE SOONER THESE COMPANIES CAN BE BROUGHT INTO SENSIBLE HANDS, THE BETTER. DU CANN ASKED IF SUCH AN ACTION WOULD CREATE ANY DIFFICULTIES FOR HIS AMERICAN FRIENDS.

5. COMMENT: DU CANN CALLED ON THE TREASURY ATTACHE AT HIS OWN INITIATIVE. HE APPARENTLY IS GOING OUT OF HIS WAY TO BE AS OPEN AND COOPERATIVE AS HE FEELS HE CAN BE WITH THE USGOVERNMENT AND ESPECIALLY THE SEC. HE IS A VERY INFLUENTIAL FIGURE IN BOTH THE CITY AND IN PARLIAMENT. DU CANN HAS HELD HIGH POSITION IN HMTREASURY IN PREVIOUS GOVERNMENTS AND IT CANNOT BE EXCLUDED THAT HE MIGHT HOLD POSITIONS IN FUTURE GOVERNMENTS. THE EMBASSY STRONGLY RECOMMENDS THAT THE SEC GIVE HIS VIEWS SERIOUS CONSIDERATION AND IF POSSIBLE PROVIDE A PROMPT REPLY TO THE POINTS HE RAISES IN THE ABOVE PARAGRAPHS.

6. ON ANOTHER POINT, STAPLE OF CLIFFORD TURNER HAS GIVEN AMMERMAN COPY OF WRIT ISSUED ON BEHALF OF TWO SHAREHOLDERS IN INVESTMENT PROPERTIES INTERNATIONAL LTD. COPY BEING SENT BY MAIL TO POLLACK, SEC. STAPLE EXPRESSED APPRECIATION FOR CONVERSATION, HELPFUL INFORMATION, HE RECEIVED FROM POLLACK.

SOHM

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\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* CONFIDENTIAL

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**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Disposition Approved on Date:**  
**Disposition Authority:** garlanwa  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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